

RESOLUTION NO. 19-12

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK MAKING DETERMINATIONS WITH RESPECT TO THE FINANCING OF AN ELIGIBLE PROJECT FOR THE CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM AND DECLARING THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK'S INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF LEASE REVENUE BONDS

WHEREAS, the California Infrastructure and Economic Development Bank (the "Issuer") is duly organized and existing pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 et seq.) as now in effect and as it may be amended or supplemented (the "Act"), for the purpose of promoting economic development; and

WHEREAS, the Issuer is authorized pursuant to the Act to, among other things, issue tax-exempt lease revenue bonds to provide financing and refinancing to eligible conduit borrowers for eligible projects located in the State of California; and

WHEREAS, the California State Teachers' Retirement System, a unit of the Operations Agency of the State of California (the "Borrower"), desires to design, develop, and construct an approximately 500,000 square foot headquarters building located in Yolo County, California (the "Project"); and

WHEREAS, the Borrower is an eligible borrower for an IBank conduit bond financing under the Act; and

WHEREAS, the Project is an eligible project under the Act; and

WHEREAS, the Borrower has requested that the Issuer assist the Borrower obtain long-term, tax-exempt, financing for the Project by issuing tax-exempt lease revenue conduit bonds in an aggregate principal amount of up to \$350,000,000 (the "Bonds") and lending the proceeds of the Bonds to the Borrower pursuant to a financing lease for, among other things, (1) financing the acquisition, construction, and equipping of the Project, (2) funding interest accruing on the Bonds through April 1, 2022, and (3) paying the cost of issuing the Bonds (collectively, the "Transaction"); and

WHEREAS, the Borrower expects to pay certain expenditures (the "Reimbursable Expenditures") in connection with the Project prior to the Issuer's proposed issuance of the Bonds for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, the Issuer reasonably expects to issue the Bonds to finance the costs of the Transaction and to loan the Bond proceeds to the Borrower pursuant to a financing lease (the

“Borrower Financing”), and that the Borrower will use a portion of the proceeds of the Borrower Financing to reimburse the Reimbursable Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the Issuer to declare its reasonable official intent to reimburse Reimbursable Expenditures for the Project with proceeds of a subsequent tax-exempt bond issue;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank (the “Board”) as follows:

Section 1. The Issuer presently intends and reasonably expects to issue the Bonds for the benefit of the Borrower.

Section 2. The Issuer declares its reasonable official intent to use proceeds of the Bonds to make the Borrower Financing.

Section 3. The Issuer reasonably expects that a portion of the Borrower Financing will be used to reimburse the Borrower for Reimbursable Expenditures.

Section 4. the Issuer presently intends and reasonably expects that a reimbursement allocation (as that term is defined in Treasury Regulation 1.150-2) will be made for the Reimbursement Expenditures within eighteen (18) months of the later of the date the original expenditure was paid or the date the Project was placed in service or abandoned, but in no event more than three (3) years after the original expenditure was paid.

Section 5. This Resolution establishes compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This Resolution does not bind the Issuer or the Borrower to make any expenditure, incur any indebtedness, issue the Bonds, or proceed with the financing of the Project and Transaction.

Section 6. The term “Reimbursable Expenditures” as used in this Resolution includes those capital expenditures made not earlier than 60 days prior to the date of this Resolution.

Section 7. In no event shall the Bonds constitute a pledge of the faith and credit of the State or any political corporation, subdivision or agency of the State. The Bonds shall constitute a special obligation of the Issuer payable solely from the revenues or other sources provided for in the documents governing the Borrower Financing and proceedings to be provided for hereafter. The Bonds shall not constitute a debt of the State of California or any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction.

Section 8. The Board hereby directs and authorizes the Issuer’s Executive Director, its Chief Deputy Executive Director, or their respective designees, each in their respective individual capacities, to take all actions necessary or desirable to implement this Resolution and hereby ratifies all actions previously taken by the officers and employees of IBank in connection therewith.

Section 9. This Resolution shall take effect from and after the date of its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on May 22, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By _____
Nancee Robles, Acting Executive Director

Attest:

By _____
Stefan R. Spich
Secretary of the Board of Directors